

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

SFA SYSTEMS, LLC,)
)
Plaintiff,)
) Civil Action No. _____
v.)
) **JURY TRIAL DEMANDED**
NETFLIX, INC.,)
)
Defendant.)
_____)

COMPLAINT

For its Complaint, Plaintiff SFA Systems, LLC ("SFA"), by and through the undersigned counsel, alleges as follows:

THE PARTIES

1. SFA is a Texas limited liability company with a place of business located at 1400 Preston Road, Suite 472, Plano, Texas 75093.
2. Defendant Netflix, Inc. is a Delaware corporation with, upon information and belief, a place of business located at 100 Winchester Circle Los Gatos, California 95032.

JURISDICTION AND VENUE

3. This action arises under the Patent Act, 35 U.S.C. § 1 *et seq.*
4. Subject matter jurisdiction is proper in this Court under 28 U.S.C. §§ 1331 and 1338.
5. Upon information and belief, Defendant conducts substantial business in this forum, directly or through intermediaries, including: (i) at least a portion of the infringements alleged herein; and (ii) regularly doing or soliciting business, engaging in

other persistent courses of conduct and/or deriving substantial revenue from goods and services provided to individuals in this district.

6. Venue is proper in this district pursuant to §§ 1391(b), (c) and 1400(b).

THE PATENTS-IN-SUIT

7. On May 23, 2000, United States Patent No. 6,067,525 (the "'525 patent"), entitled "Integrated Computerized Sales Force Automation System," was duly and lawfully issued by the U.S. Patent and Trademark Office. A true and correct copy of the '525 patent is attached hereto as Exhibit A.

8. On May 10, 2011, United States Patent No. 7,941,341 (the "'341 patent"), entitled "Sales Force Automation System and Method," was duly and lawfully issued by the U.S. Patent and Trademark Office. A true and correct copy of the '341 patent is attached hereto as Exhibit B.

9. SFA is the assignee and owner of the right, title and interest in and to the '525 and '341 patents, including the right to assert all causes of action arising under said patents and the right to any remedies for infringement of them.

COUNT I – INFRINGEMENT OF U.S. PATENT NO. 6,067,525

10. SFA repeats and realleges the allegations of paragraphs 1 through 9 as if fully set forth herein.

11. Without license or authorization and in violation of 35 U.S.C. § 271(a), Defendant has infringed and continues to infringe the '525 patent by making, using, importing, offering for sale, and/or selling computer implemented sales systems and methods for facilitating processes relating to the sale and provision of products and services on www.netflix.com, including, but not limited to, the "Top Picks For You" recommendation feature.

12. Defendant has also otherwise been making and using, without license, supply chain methods, sales methods, sales systems, marketing methods, marketing systems, and inventory systems covered by one or more claims of the '525 patent.

13. SFA is entitled to recover from Defendant the damages sustained by SFA as result of Defendant's infringement of the '525 patent in an amount subject to proof at trial, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

14. To the extent that facts learned in discovery show that Defendant's infringement of the '525 patent is or has been willful, SFA reserves the right to request such a finding at time of trial.

COUNT II – INFRINGEMENT OF U.S. PATENT NO. 7,941,341

15. SFA repeats and realleges the allegations of paragraphs 1 through 14 as if fully set forth herein.

16. Without license or authorization and in violation of 35 U.S.C. § 271(a), Defendant has infringed and continues to infringe the '341 patent by making, using, importing, offering for sale, and/or selling computer implemented sales systems and methods for facilitating processes relating to the sale and provision of products and services on www.netflix.com, including, but not limited to, the "Top Picks For You" recommendation feature.

17. Defendant also has otherwise been making and using, without license, supply chain methods, sales methods, sales systems, marketing methods, marketing systems, and inventory systems covered by one or more claims of the '341 patent.

18. SFA is entitled to recover from Defendant the damages sustained by SFA as result of Defendant's infringement of the '341 patent in an amount subject to proof at trial, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.

19. To the extent that facts learned in discovery show that Defendant's infringement of the '341 patent is or has been willful, SFA reserves the right to request such a finding at time of trial.

PRAYER FOR RELIEF

WHEREFORE, SFA requests that this Court enter judgment against Defendant as follows:

- A. An adjudication that Defendant has infringed the '525 and '341 patents;
- B. An award of damages to be paid by Defendant adequate to compensate SFA for Defendant's past infringement of the '525 and '341 patents and any continuing or future infringement through the date such judgment is entered, including interest, costs, expenses and an accounting of all infringing acts including, but not limited to, those acts not presented at trial;
- C. A declaration that this case is exceptional under 35 U.S.C. § 285, and an award of SFA's reasonable attorneys' fees; and
- D. An award to SFA of such further relief at law or in equity as the Court deems just and proper.

Dated: August 18, 2014

/s/Andrew W. Spangler
Andrew W. Spangler TX SB #24041960
spangler@spanglerlawpc.com
Spangler Law P.C.
208 N. Green Street, Suite 300
Longview, TX 75601

Telephone: (903) 753-9300
Facsimile: (903) 553-0403

Stamatios Stamoulis DE SB #4606
stamoulis@swdelaw.com
Richard C. Weinblatt DE SB #5080
weinblatt@swdelaw.com
Stamoulis & Weinblatt LLC
Two Fox Point Centre
6 Denny Road, Suite 307
Wilmington, DE 19809
Telephone: (302) 999-1540
Facsimile: (302) 762-1688

Attorneys for Plaintiff
SFA Systems, LLC